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FEATURED Q&A

Will Tourists Keep Coming to Disaster-Hit Areas?



Natural disasters in recent weeks have caused catastrophic damage in locations in Latin America and the Caribbean that rely on tourism, including in Barbuda, which was hit hard by Hurricane Irma. // Photo: CARICOM.

Q By the end of this year, Mexico's tourism sector is expected to set new records, with forecasts for growth of at least 10 percent and 37.5 million visitors to the country, tourism minister Enrique de la Madrid Cordero said in August. However, the minister's comments came before the U.S. State Department warned citizens to "exercise caution" in some of Mexico's most heavily visited areas due to instances of violent crime, and ahead of a series of hurricanes that struck Mexico and the Caribbean, as well as powerful and deadly earthquakes that rocked Mexico. How have recent events affected the outlook for tourism in Mexico and elsewhere in the region? How badly damaged is the Caribbean basin's tourism infrastructure, and how long will it take to recover? Will some countries of the region spared from damage be able to accommodate more visitors, or will trends see tourists choose different parts of the world to vacation altogether?

A Ronald Sanders, ambassador of Antigua and Barbuda to the United States: "I am unable to speak for Mexico in this matter, but I would imagine that both the Mexican government and the private sector will act swiftly to correct any impression that the earthquake prohibits the country from welcoming tourists. Tourism to Mexico is not to Mexico City alone. With regard to the Caribbean, while the tourism infrastructure in some countries in the Caribbean has been damaged by the recent hurricanes, this is not true of the entire area. Many destinations for both air and sea arrivals are open and functioning normally. The countries that were not impacted by the hurricanes recognize that there will be greater demand, and they have

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TODAY'S NEWS

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U.S. Expels 15 Cuban Diplomats After Sonic Attacks

The State Department gave Cuba's ambassador in Washington a list of 15 names of diplomats and ordered that they leave the United States within a week.

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POLITICAL

Trump Visits Storm-Ravaged Puerto Rico

U.S. President Donald Trump met with Puerto Rico officials and survivors of Hurricane Maria, which hit the U.S. territory two weeks ago, and before arriving graded his administration's response to the storm as an "A plus."

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ECONOMIC

Venezuela Invites More Countries to Join Oil Output Cuts

Venezuelan Oil Minister Eulogio Del Pino invited as many as 12 additional countries to collaborate with OPEC to support oil prices.

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Del Pino // File Photo: Venezuelan Government.

POLITICAL NEWS

U.S. Expels 15 Cuban Diplomats Following Sonic Attacks

The U.S. State Department on Tuesday expelled 15 Cuban diplomats in protest of what it said was Cuba's failure to protect American envoys in Havana from a series of mysterious attacks that caused hearing loss and other ailments, the Associated Press reported. The State Department gave the Cuban ambassador in Washington a list of 15 names and ordered the diplomats to leave the country within one week, according to officials. The order came after a U.S. decision last week to reduce the size of its embassy in Havana by 60 percent. At least 22 Americans, including a new victim identified this week, were affected by the sonic attacks, in which powerful beams of sound were targeted at the envoys. A smaller number of Canadian diplomats were also affected. U.S. officials stressed that they were not accusing Cuba's government of the attacks, but rather said that the country's government had failed to prevent the incidents. "We continue to maintain diplomatic relations with Cuba and we will continue to cooperate with Cuba as we pursue the investigation into these new attacks," said Secretary of State Rex Tillerson, the AP reported. Tillerson added that the expulsion of the Cuban diplomats was a proportional move following Washington's recall of some of its envoys from Havana. "This order will ensure equity in our respective diplomatic operations," he said, The New York Times reported. Cuba's government blasted the Trump administration's decision, saying it was using the situation to kick out Cuban envoys without proof that their government was involved. Cuban Foreign Minister Bruno Rodríguez Parrilla told reporters in Havana that the U.S. move was "eminently political" as well as "unwarranted and unjustifiable." Rodríguez added that U.S. officials should have reported the incidents earlier to Cuba's government and said the United States has denied Cuba access to the affected American envoys and the doctors who treated them, hampering Cuba's

ability to assist in the investigation. "Cuba has never perpetrated, and will never perpetrate any type of attacks against diplomats and their relatives—no exceptions," said Rodríguez. He added that Cuba's government would also not allow any third party to attack the diplomats and dismissed the symptoms reported by the U.S. personnel as "science fiction." FBI agents investigating in Cuba have been unable to determine the cause of the incidents, The New York Times reported.

Trump Visits Hurricane-Ravaged Puerto Rico

U.S. President Donald Trump visited Puerto Rico on Tuesday, two weeks after Hurricane Maria pounded the U.S. territory, and told residents they should be "proud" that the death toll there wasn't as high as in "a real catastrophe like Katrina," BBC News reported. "Every death is a horror," said Trump. "But if you look at a real catastrophe like Katrina, and you look at the tremendous—hundreds and hundreds and hundreds of people that died, and you look at what happened here, with really a storm that was just totally overpowering, nobody's ever seen anything like this." Hurricane Katrina, which pummeled New Orleans in 2005, was blamed for more than 1,800 deaths and caused more than \$100 billion in damage. "What is your death count as of this moment? Seventeen? Sixteen people certified, 16 people versus in the thousands," said Trump, comparing Maria to Katrina. Later, the office of Puerto Rico Governor Ricardo Rosselló increased the death toll from Hurricane Maria, saying the storm was blamed for 34 deaths, 19 directly. Trump also said storm recovery efforts in Puerto Rico have caused the U.S. government a lot of money. "Now, I hate to tell you, Puerto Rico, but you've thrown our budget a little out of whack because we've spent a lot of money on Puerto Rico, and that's fine," said Trump. "We've saved a lot of lives." After the visit, the White House said it was preparing to send a \$29 billion disaster aid package to Congress. The package includes \$13 billion in aid for Puerto

NEWS BRIEFS

Four Workers Killed at Mexican Silver Mine

Officials in the northern Mexico state of Coahuila said Tuesday that four workers had died on Sunday at a Canadian-owned silver mine, the Associated Press reported. La Encantada mine is owned by Vancouver-based First Majestic Silver. The company did not respond to a request for comment. Coahuila state Civil Protection Deputy Secretary Francisco Martínez said an initial report from federal workplace safety inspectors said the workers died of carbon monoxide poisoning.

Brazil Sells \$3 Billion in 10-Year Dollar Bonds

Brazil's government sold \$3 billion in 10-year, dollar-denominated bonds on Tuesday, the country's finance ministry said. The bonds were set at a price of 99.60 percent of their face value, and the yield will be 4.625 percent annually. The sale was part of a drive to refinance debt that included repurchasing nearly \$12 billion in securities maturing between 2019 and 2030. The new bond was issued with a spread of 235 basis points over U.S. Treasuries.

Brazil's Oil Regulator Clears Four Companies to Bid for Pre-Salt Rights

Brazilian oil regulator ANP has authorized four more oil companies to bid on tenders this month for exploration and production rights in the pre-salt region off the coast of Brazil, the regulator said Tuesday, Reuters reported. A local unit of U.S.-based Chevron was cleared for bidding in the second and third pre-salt rounds, which are set to be held on Oct. 27. Brazil's OP Energia was cleared to bid in the second round, and China's CNOOC Petroleum Brasil and Colombia's Ecopetrol were also authorized to bid in the third round. Last week, ANP released a list of 11 companies that had been cleared to bid at the upcoming auctions.

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taken measures to accommodate this development, such as earlier opening of resorts that had closed for the summer. Some of them, such as Antigua and Barbuda, have already entered agreements with airlines, cruise ship lines and yachting companies for more calls at their ports. Several cruise ship lines, such as Royal Caribbean and MSC cruises, have organized their schedules to allow their clients to proceed seamlessly with Caribbean cruises, by increasing the number of their berthings at non-affected ports. Both Caribbean countries and the airlines and cruise ship companies have a vested interest in preserving and promoting the Caribbean. They are already adjusting their marketing campaigns to reflect that. Tourists have the entire world to choose for their holidays, but the Caribbean has a special appeal, whose luster has not been lost because of the damage caused to a few destinations. The damage is not permanent, and the Caribbean has a record of swift recovery.”

A **Sandra Carvao, chief of communications at the United Nations World Tourism Organization (UNWTO):** “Mexico continues to be one of the most popular destinations in the world, as proven by the growth that it has recorded in recent years, which placed it as the eighth-most visited destination in the world last year, and we see no reason to change the perspectives of growth. It is important to differentiate the situation in Mexico from that on some of the islands in the region most affected by Hurricanes Irma and Maria. Despite the earthquakes in Mexico City and in the states of Morelos and Puebla, Mexico’s authorities and amazing citizens have helped rescue many lives and are working toward the quick recovery of all affected. Tourist attractions remain open and functioning in all these destinations, and no other international tourism destinations in Mexico have been affected, and they are all are operating normally. Mexico City, though hit by the earthquake, had no

major damage in its hotel and restaurant infrastructure. Its roads, airport and world-class meeting venues are in good condition to host international visitors. As per the Caribbean destinations, the situation is diverse, according to the destination, and while in some the infrastructure has been

“**Mexico continues to be one of the most popular destinations in the world.**”

– Sandra Carvao

affected, others have not, and we need to avoid looking at the region as one. The most important thing to do is support the recovery of the islands affected, in terms of immediate human needs, and plan to support the recovery in terms of tourism, as the sector is the pillar of the region. This includes support in infrastructure and communication, so that consumers are aware of the true situation on the ground. In that respect, in the recent UNWTO General Assembly held in China in September, the UNWTO convened a meeting of the countries in the region to set a plan of action. The theme will also be central to the coming Conference on Tourism and Development to be organized by UNWTO, the Jamaican government and the World Bank in Jamaica at the end of November.”

A **Beatrice Rangel, member of the Advisor board and director of AMLA Consulting in Miami Beach:** “Three straight years of record growth in Mexico’s tourism sector have propelled this activity to the forefront of public policies. According to the Ministry of Tourism, 10 percent of Mexico’s GDP is created by tourism. The sector employs 3.6 million people directly, 57 percent of them women. It is also the fourth-most-important

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Rico, Florida and Texas as well as \$16 billion for a government-backed flood insurance program. Trump and First Lady Melania Trump visited survivors in the town of Guaynabo. Some in Puerto Rico, including San Juan Mayor Carmen Yulín Cruz, have complained that the federal response to Hurricane Maria was inadequate. However, Jenniffer González Colón, the territory’s nonvoting representative, praised Trump. “Thank you, Mr. President, for all you have been doing for the island,” she said, The New York Times reported. She added that the federal government had sent everything that Puerto Rico needed.

ECONOMIC NEWS

Venezuela Invites More Oil Producers to Join OPEC Cuts

Venezuelan Oil Minister Eulogio Del Pino on Wednesday invited as many as 12 more oil-producing countries to collaborate with OPEC in cutting oil output in order to bolster global oil prices, as the price per barrel of the commodity slips back to \$55, the Financial Times reported today. Del Pino said at an energy forum in Moscow that oil ministers from OPEC member states were considering whether they should make further cuts to production beyond the 1.8 million barrels-per-day cut the group has had in place since July, or whether they should extend the existing deal. Del Pino added that between 10 and 12 additional countries had been invited to participate in the production cuts, Reuters reported. Last November, OPEC and Russia agreed along with a few other countries outside the group to curb oil output in an attempt to counter the three-year-long oil glut that had driven down global oil prices and had been at least partially responsible for economic struggles in some oil-exporting countries, including Venezuela. Russian Energy Minister Alexander Novak seemed less enthusiastic about making further production cuts, saying on Wednesday that oil prices were stabilizing at a “suitable” level, the Financial Times reported.

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source of foreign currency. The Mexican government is therefore engaged in a long-term strategy to support its growth and attract the new and most difficult cohort of consumers, millennials, while keeping current visitors, who are middle-class families from all over Mexico and the Americas. Most recently, Mexico has turned into a star destination for affluent Asian families who love to hobnob with movie stars at Cabo San Lucas. Maintaining and increasing the growth rate involves resolving connectivity limitations; promoting integration between facilities and sports; more attractive entertainment programs; and better exploitation of Mexico's nature to make available treasure hideouts, where wildlife coexists with visitors in harmony. All these demand sizeable investments that could easily be achieved, given that rising demand for accommodations is raising investors' interest. Mexico, however, would need to engage in a thorough revision of red tape procedures and give higher priority to the creation of public-private partnerships along the lines suggested by the World Bank. But where the effort needs to be greatest is in the security area. This entails not only investing in a premier intelligence service, but also punishing

corruption among government officials, who often turn a blind eye to the makings of drug mafias in exchange for a retirement fund. With so many destinations in the Caribbean competing with Mexico's news about violent

“Where the effort needs to be greatest is in the security area.”

— Beatrice Rangel

crime, Asia is starting to find the destination less attractive. Further, as adventurous millennials take over the market from baby boomers, safety will be a rising concern. Proof is in Egypt, where the country's most important tourism destinations could not maintain their attraction after the terrorist attack by ISIS against a Russian airliner two years ago.”

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.

LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue, Copyright © 2017

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Latin America Advisor is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

www.thedialogue.org

ISSN 2163-7962

Subscription inquiries are welcomed at freetrial@thedialogue.org

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